

Hidden Valley Lake

Property Owners Association

Board of Directors Meeting

August 25, 2011

APPROVED

Board of Directors Present: Bill Minnery, Donna Lask, Robert Starks, and Bill Acra

Board of Directors Absent:

Community Manager Present: Bruce Keller

Vice President Bill Minnery called the August 25, 2011 Board of Directors Meeting to order at 7:00 p.m. The meeting began with the Pledge of Allegiance.

Vice -President's Report: Bill Minnery

The position of President is vacant and will be filled by the next Board Meeting. Resumes are due by September 6th. We will seek advice from outside the Board. Committees input starting the week of September 6th to provide input ASAP. Bruce Keller to make resumes available to the Committees.

Treasurer's Report: Donna Lask

July income was \$172,622 exceeding budget by \$9127. Phone book income of \$4398 was received and had not been budgeted for July. Income from fines was \$10,811 exceeding budget by \$7691. Most of the fines are for speeding. Total expenses for the month were \$186,491 which are \$19531 over budget. Security department expenses were over budget by \$7938 due to wages, gas increases and outfitting a new deputy. Lakes department was over budget by \$9187 mainly due to the payment for lake treatment of \$7884 which was budgeted in a different month and is just a timing difference. Another timing difference is repairs at the pool and beach which were over by \$6267 this month but are still under budget year to date. Total operating net income for July was a loss of \$13,868 and is under budget by \$10,403.

Year to date net operating income is \$92,236 which is \$83,313 over budget.

Secretary's Report: Robert Starks

Motion to approve the July 28, 2011 POA Board of Directors Meeting Minutes. Motion made by Robert Starks and seconded by Donna Lask. Motion passed unanimously.

Community Manager's Report: Bruce Keller

I want to extend a big thanks to Sean Guthrie for building and installing 6 benches along our walk paths. This is part of his final project to become an Eagle Scout. Angie Ruberg wanted me to remind everyone that we still have one more Cincinnati Reds Hidden Valley Lake Night scheduled on September 12, 2011. Order your tickets at reds.com/hiddenvalley or come see us at the office for a faxable form. Also, go to our

website and click on our face book connection and press “like”. This is another outstanding idea from the Ladies in the office to improve communication with our residents. Also, don’t forget to register on our List Serve.

COMMITTEE REPORTS

Lakes Committee

Comments by Kyle Packer concerning no-wake: I view this as a change in rules whether temporary or permanent. The Lakes Committee made a motion to entertain changing the operating hours as currently published in our rule book. This was then approved by a Board Member. Any change is to go from the Lakes Committee to the Board, read twice, then voted on. I ask that the Board rescind the decision made and go through the proper process. I ask for a response from the Board.

Comments by Jeff Dickman concerning no-wake: I want to say thank you for having that day. I was able to take out the handicapped and elderly on the lake. I have no problem not tubing with my grandsons for a few hours to help out others. This lets more residents use the amenities.

Lakes Committee Report: Dave Patterson

Mark Schaffeld had requested to be on the agenda to present a proposal for changing the time the main lake goes to no-wake to 3:00 instead of dusk on the second Sunday of each month. We are simply gathering data to make a recommendation to the Board next spring.

Bruce Keller and Bill Minnery visited a site where Dredging Resources was working. They were very positively impressed overall.

The committee passed a motion to approve using the lake to test boats for the purpose of determining whether the resident was going to purchase a boat or not provided several conditions were all met.

Joe White is the 4th member of the Lake Patrol. Joe will be working primarily the late night shifts.

Lake treatment took place this week and we should see results in two weeks.

Bill Minnery

A formal complaint was filed by Kyle Packer and another Board member responded.

Parks & Recreation Committee

Comments about Baby Pool by Donna Yetzer: Why are we considering a new baby pool that is 5 times larger than the current pool? 1200 square feet is the size of this entire room. I support an updated and larger baby pool but not 1200 square feet.

Parks & Recreation Committee Report: Mark Hemmerle

Mark gave a summary on the baby pool usage looking at average peak periods. Pool House plans will be finalized and recommended soon.

There was a lengthy discussion with several residents commenting on the baby pool size.

Opening of bids for Baby Pool. There are three bids and they are all sealed.

Finance Committee Report: John Reiniger

Request a motion approving the July, 2011, financial reports. Motion made by Donna Lask and seconded by Roberts Starks. Motion passed unanimously.

Request a motion approving the HVLPOA Budget Process, Rules, Policies and Procedures as a first reading. (See attachment A)

Motion made by Donna Lask and seconded by Bill Minnery to open for discussion. Motion passed unanimously for discussion. Bill Minnery asked for this to be taken back to committee for review to determine if the policies, rules, and procedures could be interpreted in any way to threaten projects where a portion of the funds have been approved in 2011 and the remaining funds have been set aside in subsequent years but not yet approved. Of particular concern are projects related to the pool, pool house, or any capital project where time and / or funds have already been invested. Bill Minnery also asked for the Finance Committee's interpretation of policies, rules, and procedures regarding this issue and that their response be documented in the Finance Committee's minutes. There is no first reading and the motion is postponed until the September meeting.

**Request a motion approving the HVL POA Capital Expenditures Budgetary Process Event and Timeline Guideline as a first reading. (See attachment B)
Motion made by Donna Lask and seconded by Robert Starks to open for discussion. Motion passed unanimously for discussion. Since this is only a guideline no second reading is necessary and will be passed and is approved beginning in 2012.**

Bill Minnery

There was a lengthy discussion among all present regarding the no-wake decision.

Donna Lask made a motion to discontinue the lake no-wake test and seconded by Bill Acra. Motion passed with a vote of 3 in favor Donna Lask, Robert Starks and Bill Acra and 1 opposed Bill Minnery.

Streets and Drainage: Bruce Keller

The road paving is finished. Bruce explained that the total paving bill came in at just over \$140,000. After the reimbursements come out we will still be \$18,000 over budget due to the extensive repairs necessary on Hidden Valley Drive as well as tying in more driveways than normal.

Architecture Committee Report: Bill Minnery

The following Performance Bond for Return for August:

Lot 3214 Allison Turner 1132 Hanover Drive \$500.00
Signed by Rick Manion, Jesse Jones, Donald Yetzer & John Getzendanner II

Motion to approve the Performance Bond Return by Bill Minnery and seconded by Bill Acra. Motion passed unanimously.

Future Planning/Political Action Committee Report: Scott Mitchell

No report.

Safety, Security & Elections Committee Report: Larry Rohling

CPR and First Aid class was a success and we will be holding another on October 29, 2011.

Old Business:

Brief update on Revised Handbook: George Lortz
Handbook should be available by the end of September.

New Business:

Announce results of Baby Pool Bid Opening: Mark Hemmerle
PSS contractors \$75,000 1,000 sq. ft.
Obrien Pools \$70,902 800 sq. ft.
Climate Masters \$85,900 810 sq. ft.
These bids will be reviewed.

Motion to adjourn by Bill Minnery and seconded by Bill Acra. Motion passed unanimously.

Adjournment: 8:45 pm

Minutes Prepared by Gloria Weber

Minutes published in this paper are abbreviated and a full account can be heard online at www.hiddenvalleylakepoa.com
Any attachments can be viewed online at www.hiddenvalleylakepoa.com

Attachment A

HVL POA BUDGET PROCESS
Rules, Policies and Procedures

A. Definition of Terms

For the following HVL POA Financial rules, policies and procedure, unless the context otherwise indicates when used in conjunction with the term, the definition of the following terms apply:

1. **Cash Reserves** – Represents two months of operating expenses to be set aside for emergencies; review annually.
2. **Escrow Fund** - Funds allocated for significant capital expenditures identified at time of contribution.
3. **Operating Budget** - Revenues minus expenses without depreciation, a non-cash item, showing a net profit/cash flow total.
4. **Capital Budget** - A prioritized list of community project requests over \$2,000 each.
5. **Balanced Budget- Operating budget minus debt service and capital expenditures equals a positive cash flow. Capital expenditures include the required contribution to the escrow fund plus capital expenditures for items not covered by the escrow fund. Funds distributed from the escrow funds do not affect the Balanced Budget status.**

B. Rules

1. Any capital project over 15% of the POA annual budgeted revenues needs prior approval of property owners.
2. The Budget must be approved by the Board of Directors and be balanced as defined above.

C. Policies

1. **All distributions from the Escrow funds must be approved by a separate motion that clearly indicates that the source of the funds is the Escrow account. This may take place at the time of approval of the annual budget or at any regularly scheduled Board of Directors meeting.**
2. Escrow funds may be used only for a capital item for which funding was intended. Any unused escrow funds for completed or cancelled projects can be allocated for future capital projects or returned to the operating budget at the annual escrow review or by special vote of the Board of Directors.
3. If cash reserves fall below two months operating expenses, funds must be allocated to the cash reserves at the next annual budget meeting.

D. Procedures

1. It is the responsibility of the Community Manager to develop a balanced operating budget to submit for approval to the finance committee at their November meeting and to the Board of Directors for their approval at their November board meeting. The Community Manager is to coordinate this with the committees and POA staff.
2. It is also the responsibility of the Community Manager to develop a capital budget within the parameters of funds available from the operating budget and escrow funds to submit for approval to the Finance Committee at their November meeting and to the Board of Directors for approval at their November meeting.
3. The Finance Committee will review and suggest adjustments to the operating and capital budget including a review of current escrow fund requirements and contributions required from the operating budget and any reimbursement due to replenish the cash reserves back to two months operating expenses.
4. A capital projects meeting will be held in October with Committee Chairs, Board of Directors, the Community Manager and his staff and any interested parties, to review and prioritize capital projects. Prior to the meeting the Community Manager will notify meeting attendees of an estimated amount available for capital items to be included in the budget. Priorities will be discussed and requests for use of the escrow funds to be distributed in the budget year as prioritized will be reviewed.
5. A meeting will be held in early November with Committee Chairs, Board of Directors, the Community Manager and his necessary staff and any interested parties to review the operating budget.
6. The Board of Directors will approve the operating and capital budget, including distribution of escrow funds for the coming year, at their November meeting.

Attachment B

HVL POA Capital Expenditures Budgetary Process Event Timeline Guidelines

The yearly HVL POA budgetary process for capital expenditures starts each January and culminates with the Annual Budget Meeting usually conducted in November.

It is recommended by the POA Finance Committee that each POA Committee, with projects requiring

capital expenditures, follow the budgetary timeline of events listed below.

It should be noted, any capital expenditure project exceeding 15% of the POA annual budgeted revenues requires prior approval of the property owners.

These timelines are subject to change depending upon the duration / timing of the project.

January -February

Committee, in conjunction with the Community Manager, will create timeline for each individual project to be completed within the current year. This timeline will include dates for the following:

1. **Create RFQ:** Committee will review the capital budget costs allocated for the project and start work on the creation of POA RFQ's necessary to select the appropriate vendors. RFQ's are necessary for all capital expenditures exceeding \$10,000.
2. **Completed RFQ:** Working with the POA Community Manager, the Committee will create the wording for the current year's RFQ's and release them to the appropriate vendors/contractors.
3. **Bid Opening:** Bids will be opened at an open meeting and are reviewed by the Committee and all necessary parties.
4. **Capital Project Request Form Revision:** Committee will revise the Capital Project Request Form for the project and submit it to the Community Manager and the Finance Committee.
5. **Motion to accept changes:** If necessary, the Committee will prepare motion recommendations for the Board of Directors (BOD) for any changes required to the project's capital budget costs.
6. **Board of Directors bid selection:** Board will select winning bids from RFQ responses.
7. **Update 5 Year Plan:** Should it be necessary, the Committee will report all required changes to the Future Planning & Political Action Committee (FP&PA) for the purpose of updating the Five-Year Capital Expenditures Plan. The updated plan along with the required changes should also be forwarded to each Committee.

March - April -May

1. Committees will identify projects planned for the future year's budget.

June – July - August

1. Committees will report projects for the following year's budgetary request to the FP&PA Committee. Preliminary cost estimates for the following year's projects should be provided at this time. Committee will work with Community Manager who will be the vendor contact for these estimates.

September

1. Community Manager will finalize the cost estimates for the following year's projects and report estimates to the appropriate Committees. Committee will submit Capital Project Request Form to FP&PA Committee as well as the Finance Committee.
2. Committee will prioritize projects for the following year's budget request.
3. The FP&PA Committee shall provide the annual update to the Five-Year Plan to all Committees and the BOD.

October

1. The FP&PA Committee shall conduct the Capital Expenditures Pre-Budget Meeting for the purpose of prioritizing the following year's capital budget requests from all Committees and create a final consolidated list for the Annual Budget Meeting.

November

1. The BOD shall conduct an open meeting to review the Annual Budget.
2. The Finance Committee shall present the following year's budget request to the HVL POA Board of Directors for final approval.